HELLA Investor Update

Conference Call, July 25, 2019
Dr. Rolf Breidenbach, CEO
Bernard Schäferbarthold, CFO
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This document contains an English translation of the accounts of the Company and its subsidiaries. In the event of a discrepancy between the English translation herein and the official German version of such accounts, the official German version is the legal valid and binding version of the accounts and shall prevail.
HELLA meets financial targets FY 2018/19; special dividend proposed; guidance FY 2019/20 reflects negative market environment

**Executive Summary**

**A  Preliminary Results FY 2018/19**
- Preliminary growth of adjusted sales HELLA Group at 5.0% YoY
- Preliminary adjusted EBIT +32.5 mill. EUR (+5.9% YoY) at 585 mill. EUR
- Preliminary adjusted EBIT margin +0.1pp to 8.4%

**B  Dividend Proposal FY 2018/19**
- Regular dividend of EUR 1.05 per share (previous year: EUR 1.05)
- Special dividend of EUR 2.30 per share proposed to reflect strong balance sheet and the successful Wholesale disposal

**C  Guidance FY 2019/20**
- Portfolio and currency adjusted Group sales expected in the range from 6.5 bn. EUR to 7.0 bn. EUR (previous year portfolio adjusted: 6,770 mill. EUR*)
- Adjusted EBIT margin (excluding restructuring and portfolio effects) expected in the range from 6.5% to 7.5% (previous year portfolio adjusted 8.4%*)

Note: All figures for FY 2018/19 are preliminary. Financial report will be published at August 9th, 2019

* See Backup
HELLA fulfills the company outlook for FY 2018/19: Development of KPIs within given forecast ranges

A. Preliminary Results FY 2018/19

<table>
<thead>
<tr>
<th>GUIDANCE FY 2018/19</th>
<th>PRELIMINARY RESULTS FY 2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency and portfolio adjusted sales growth</td>
<td>At the lower end of the given forecast range from 5 to 10 percent</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBIT growth excluding restructuring and portfolio effects</td>
<td>In the lower half of the given forecast range from 5 to 10 percent</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBIT margin excluding restructuring and portfolio effects</td>
<td>Approximately at the prior year’s level</td>
</tr>
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</table>
Stable regular dividend and special dividend proposed to let shareholder participate in successful Wholesale disposal

B. Dividend Proposal FY 2018/19

Development of HELLA dividend per share in EUR

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per Share (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 14/15</td>
<td>0.77</td>
</tr>
<tr>
<td>FY 15/16</td>
<td>0.77</td>
</tr>
<tr>
<td>FY 16/17</td>
<td>0.92</td>
</tr>
<tr>
<td>FY 17/18</td>
<td>1.05</td>
</tr>
</tbody>
</table>

Payout Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Payout Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 14/15</td>
<td>30%</td>
</tr>
<tr>
<td>FY 15/16</td>
<td>32%</td>
</tr>
<tr>
<td>FY 16/17</td>
<td>30%</td>
</tr>
<tr>
<td>FY 17/18</td>
<td>30%</td>
</tr>
</tbody>
</table>

Dividend proposal for FY 2018/19 per share in EUR

- **Proposal to distribute** 255 mill. EUR as special dividend to shareholders which reflects approximately the accounting gain (approximately 2/3 of total cash proceeds)
- **Special dividend of** 2.30 EUR per share proposed to reflect positive development of balance sheet since IPO and to participate shareholders in successful wholesale disposal
- **Regular dividend** of 1.05 EUR per share proposed taking into consideration the PY level and a continuous development of dividend payments
- **Payout ratio around 30%** of net profit since IPO
Dividend proposal reflects positive development of balance sheet since IPO

B. Dividend Proposal FY 2018/19

Development of selective balance sheet ratios HELLA Group

<table>
<thead>
<tr>
<th></th>
<th>FY 14/15</th>
<th>FY 15/16</th>
<th>FY 16/17</th>
<th>FY 17/18</th>
<th>FY 18/19 prelim.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQUITY-RATIO (EX CASH)</td>
<td>49%</td>
<td>48%</td>
<td>49%</td>
<td>51%</td>
<td>60%</td>
</tr>
<tr>
<td>CASH (EUR bn.)</td>
<td>1.0</td>
<td>0.9</td>
<td>1.1</td>
<td>1.0</td>
<td>1.4</td>
</tr>
<tr>
<td>GROSS DEBT (EUR bn.)</td>
<td>1.1</td>
<td>1.2</td>
<td>1.4</td>
<td>1.2</td>
<td>1.4</td>
</tr>
<tr>
<td>NET DEBT (NET CASH) (EUR bn.)</td>
<td>-0.1</td>
<td>-0.2</td>
<td>-0.3</td>
<td>-0.2</td>
<td>+0.1</td>
</tr>
</tbody>
</table>

- **Leverage ratio remains low**, actual **credit rating** by Moody’s (BAA1)
- **Strong financial basis** to further **invest** in **future technologies** and **growth**
- **Almost no impact** on future **EPS**
Market outlook characterized by uncertainties and a continuous downward trend in predicted automotive production is expected

C. Guidance FY 2019/20 – Market Outlook

Unstable market environment

Global Light Vehicle Production
Comparison of IHS LVP estimates Forecast for Fiscal Year 2019/20

- High uncertainties in market environment, especially due to global trade restrictions/tensions and unclear Brexit
- Global declining economic expectations, especially further demand decline in China
- CY 2019 IHS LVP -4.5% expected as of July 2019
- Further high volatility
- No recovery in H2 FY 19/20 expected, further downward revisions in upcoming forecasts most likely
Despite declining industry trend and further high uncertainties, HELLA still expects to outperform the market

C. Guidance FY 2019/20 – Company Outlook

Against the backdrop of declining sector-specific framework and high insecurities HELLA is currently expecting the following for FY 2019/20:

**GUIDANCE**

**Fiscal Year 2019/20**
June 1, 2019 to May 31, 2020

| Currency and portfolio adjusted **sales** | In the range from **6.5** to **7.0 billion EUR** |
| Adjusted **EBIT margin** excluding restructuring and portfolio effects | In the range from **6.5%** to **7.5%** |
**FY 2018/19 sales and adjusted EBIT need to be restated due to portfolio changes in Aftermarket**

**Backup – Restatements**

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**Bridge HELLA Group sales**

in EUR millions

<table>
<thead>
<tr>
<th></th>
<th>FY 18/19*</th>
<th>WD Q1</th>
<th>BHS 5months</th>
<th>FY 18/19* restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridge HELLA Group sales</td>
<td>6,968</td>
<td>-137</td>
<td>6,770</td>
<td>6,770</td>
</tr>
</tbody>
</table>

**COMMENT**

- As basis for FY 2019/20 guidance, **3 months Renewable sales** of 137 mill. EUR need to be excluded from FY 2018/19
- Furthermore, termination of Behr HELLA Service (BHS) JV at 31.12.2019: **5 months JV contribution of 61 mill. EUR need to be excluded**

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**Bridge HELLA Group adjusted EBIT**

in EUR millions

<table>
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<th></th>
<th>FY 18/19*</th>
<th>WD Q1</th>
<th>BHS 5months</th>
<th>FY 18/19* restated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridge HELLA Group adjusted EBIT</td>
<td>585</td>
<td>-6</td>
<td>572</td>
<td>572</td>
</tr>
</tbody>
</table>

**COMMENT**

- Respective EBIT contribution of **Wholesale business approx. 6 mill. EUR EBIT to be excluded** from FY 2018/19 numbers
- For BHS JV, around **7 mill. EUR EBIT contribution thereof ~ 3 mill. EUR at equity result missing**

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*preliminary figures

HELLA Investor Update, Conference Call, July 25, 2019
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